

On July 16, 2013, SCHEV adopts the following recommendations for Tuition Offsets:

Recommendations for Definition of Terms

Tuition Offsets

For purposes of this document, Tuition Offsets refers to programs that obtain their funding directly from Tuition & Fee Revenues or are foregone revenue in the form of either reduced tuition charges or a remission towards the student's tuition via an unfunded scholarship. These programs currently include Tuition & Fee Revenue Used for Financial Aid, Unfunded Scholarships, and Tuition Waivers.

Tuition & Fee Revenue Used for Financial Aid:

All nongeneral fund student financial assistance derived solely from institutional Tuition & Fee Revenues, exclusive of Unfunded Scholarships and Tuition Waivers as described below.

Unfunded Scholarships:

1. Student financial assistance specifically authorized under the Code of Virginia, § 23-31.
<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+23-31>
2. Summary of criteria:
 - a. Number and amount of awards restricted depending upon enrollment level: undergraduate funds awarded restricted to 20% or less of tuition and fee revenue; graduate funds awarded restricted to amount of tuition and fee revenue charged to graduate students receiving assistantship of at least \$2,000.
 - b. Need-based (also character/ability) undergraduate assistance for in-state and out-of-state students.
 - c. Graduate assistance for in-state and out-of-state students having character/ability.

Tuition Waivers:

Any provision reducing or otherwise eliminating the actual tuition charged to a student. To date, these include, but are not necessarily limited to, the following:

Program	Authorization
Federal military member and dependent waivers – in-state tuition	Federal Higher Education Opportunity Act
One-year grace period for when parent abandons Virginia domicile – in-state tuition	Code of Virginia § 23-7.4 B
Virginia's military dependents - in-state tuition	Code of Virginia § 23-7.4 E
Virginia Military Survivors & Dependents Education Program – waiver of tuition	Code of Virginia § 23-7.4:1 A
Certain Public Safety Personnel Child/Spouse Waivers – waiver of tuition	Code of Virginia § 23-7.4:1 B
Nonresident employed full time in Virginia provision – in-state tuition	Code of Virginia § 23-7.4:2 A
Virginia provision for other state's National Guard duty – in-state tuition	Code of Virginia § 23-7.4:2 B
Academic Common Market – in-state tuition	Code of Virginia § 23-7.4:2 C 1
Foreign exchange student waivers – in-state tuition	Code of Virginia § 23-7.4:2 C 2
VCCS dual enrollment agreement – in-state tuition	Code of Virginia § 23-7.4:2 C 3
Virginia Community College System: students living within 30 mile radius – in-state	Code of Virginia § 23-7.4:2 D
Univ. of Virginia's College at Wise: students living within 50 mile radius – in-state	Code of Virginia § 23-7.4:2 E
Special arrangement contracts – reduced tuition rate	Code of Virginia § 23-7.4:2 F
Virginia's military member – in-state tuition	Code of Virginia § 23-7.4:2 G
Veterans residing in Virginia, but not establishing domicile – in-state tuition	Code of Virginia § 23-7.4:2 H
Senior Citizen's Tuition and Fee Waivers – waiver of tuition	Code of Virginia § 23-38.54
Old Dominion University's TELETECHNET sites/higher education centers; in-state	Appropriation Act (ODU)
Graduate student employed at a contract rate of \$4K+ - in-state tuition	Appropriation Act § 4-2.01 b 6
Other waivers of tuition/fees – reduced tuition	Appropriation Act § 4-2.01 b 9

Recommendations for Reporting Policy:

1. Tuition & Fee Revenue
The total Tuition & Fee Revenues reported within the Act of Appropriation, program 100, and on the six-year plans should reflect the tuition and fee revenues projected by the institution, **net** of all projected Tuition Offsets. Differences between the two reports would occur due to periodic updates and not due to methodology.
2. Tuition Offsets
 - a. The total Tuition & Fee Revenue Used for Financial Aid should be reported as nongeneral fund revenue in the Act of Appropriation, program 108.
 - b. Unfunded Scholarships and Tuition Waivers should not be included in program 108 since these do not involve moving cash. Program 108 also should not include other forms of financial assistance, such as the federal Pell grant, that are not funded through tuition and fee revenue. An exception for the VCCS may be appropriate if deemed necessary.
 - c. Report all Tuition Offset programs on the six-year plan as well as on the annual S1/S2 financial aid report.
 - i. SCHEV utilizes the S1/S2 to respond to requests on program usage and will provide the prior year utilization of these programs as benchmarks for the six-year plans.
 - ii. Institutions provide projections of the anticipated out year usage of these programs on the six-year plan.

Further Recommendations:

In discussing the Tuition Offsets reporting issues, several tangential concerns have been identified and recommendations offered.

3. Standardize the reporting designations for Tuition Waivers within the Code of Virginia, 23-7.4:1, so that all students benefiting from state-mandated in-state tuition charges are reported as in-state for base adequacy calculations /cost of education guideline calculations. Note that some workgroup members would like to see this treatment extended to all “state authorized” tuition waivers, including those that are discretionary for the institutions. (See Appendix B for corresponding proposed Code amendment.)
4. Delete language under Unfunded Scholarships which restricts other forms of institutional financial assistance (See Appendix C for corresponding proposed Code amendment):
“B. No institution named herein shall remit any tuition or required fees or any special fees or charges to any student at such institution except as authorized in this section.”
5. Move all financial aid funds utilized for work study under authorization of §4-5.01 of the Act of Appropriation to E&G administratively on an as-needed basis. This instruction is already in place for graduate funding and should be extended to undergraduate as well. (See Appendix A for corresponding proposed Act of Appropriation amendment.)
6. SCHEV should determine if and how Tuition Offsets should be defined and reported within the annual financial aid data file (FA data file).
7. Department of Planning and Budget, Department of Accounts, SCHEV, and institutions should determine if creating two new revenue codes would assist in the separate tracking of the programs.